

SENATE BILL 2740  
By Trail

AN ACT to amend Tennessee Code Annotated, Title 45 and Title 47, relative to predatory lending.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 45, is amended by adding the following as a new, appropriately designated section:

45-\_\_-\_\_.

(a) No lender shall engage in the unfair act or practice of flipping a home loan.

"Flipping" a home loan means the making of a home loan that refinances within sixty (60) months an existing home loan of the borrower when the new loan does not have a reasonable, tangible net benefit to the borrower, considering all the circumstances, including the terms of both the new and refinanced loans, the economic and non-economic circumstances, the purpose of the loan, the cost of the new loan, and the borrower's circumstances.

(b) As used in this section, "lender" means any person who in the regular course of business makes a home loan. Lender shall also mean any person brokering a home loan, which shall include any person who, for compensation, paid directly or indirectly, solicits, originates, processes, places or negotiates home loans for others or offers to solicit, originate, process, place or negotiate home loans for others or who closes home loans which may be in the person's own name with funds provided by others and which loans are thereafter assigned to the person providing the funding of such loans.

(c) A violation of this section shall be construed to constitute an unfair or deceptive act or practice affecting the conduct of trade or commerce under the Tennessee Consumer Protection Act, in title 47, Chapter 18, and as such the private right of action remedies under such act shall be available to any person who suffers an ascertainable

loss of money or property, real, personal, or mixed, or any other article, commodity, or thing of value wherever situated as a result of such violation.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.